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Frank W. Fisher

MARKET ADMINISTRATOR

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1961 Per Capita Consumption of Fluid Milk and Cream Rose In 9 of 71 Markets

The Dairy Situation, Economic Research Service, USDA, June 1962

Recent data on per capita consumption in 1960 and 1961 in 71 milk markets shows 1961 per capita consumption of fluid milk and cream (milk equivalent, fat solids basis) above the 1960 level in 9 markets—Cincinnati, Ohio; Fort Wayne, Ind.; Milwaukee, Wis.; Black Hills, S. Dak.; Appalachian, West Virginia-Tennessee; Clarksburg, W. Va.; South Carolina; Paducah, Ky.; and Red River Valley, Oklahoma-Texas. The range in per capita consumption was from 418 pounds, milk equivalent, in Minneapolis-St. Paul to 113 pounds in the Mississippi Delta market compared with the national level of 314 pounds per person. Changes from 1960 levels ranged from a drop of 19 pounds per person in the Inland Empire, Wash., Toledo, Ohio, and Central West Texas markets to a gain of 15 pounds per person in the Red River Valley, Oklahoma-Texas market. Twenty-four markets lost 10 pounds or more of consumption per person.

Losses of 10 pounds or more in per capita consumption of whole milk occurred in 29 markets, of which 5

were located in the North Atlantic States and 12 in the North Central States. These 17 markets included 9 markets in the heavy-industry areas around the Great Lakes, the New York Metropolitan area, and Philadelphia.

In only 7 of the 29 markets was the loss of whole milk sales associated with substantial gains in per capita use of plain skim milk or fortified milk.

In 6 of the 29 markets, losses in whole milk consumption were associated with losses in the consumption of skim milk and low-fat items. Three of the 5 markets showing gains in whole milk consumption also showed gains in the consumption of skim milk and low-fat items. Most of the markets with substantial gains in skim milk and low-fat item consumption were located in the North Central and Northwestern States. In such markets, it is possible that substitution of low-fat items for whole milk is considerable.

Many Southern markets had a low per capita consumption of plain skim milk and fortified skim, but had high per capita sales of buttermilk.

Milk Production Increase Less Than Expected

The Dairy Situation, Economic Research Service, USDA, August 1962

Milk production in 1962 is expected to be between 126 and 127 billion pounds compared with 125.5 billion pounds in 1961. But unless weather conditions improve greatly, production may not reach 126.5 billion pounds. This is substantially below the earlier expectations of a possible increase of 2 billion pounds. Production in July fell below a year earlier for a second month, the first declines since February 1961. Production was 10,977 million pounds in July, 0.7 percent below July 1961. The June figures were revised from 12,041 million downward to 12,003 million, 0.3 percent below June 1961. Milk production in the first 7 months of 1962 was 800 million pounds above a year earlier. If milk production in the rest of the year continues at the 1961 rate, total production will be about 126.3 billion pounds.

However, cow numbers, as measured on June 1, declined relatively little from a year earlier, and the potential for an increase in production above a year earlier still exists for the balance of 1962.

But this potential has been limited by unfavorable weather in the North Atlantic and Southern States. It is possible that the downward effect of poor pastures on production will continue.

(Continued on Back Page)



Cincinnati

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers Uniform Price (3.5%)	\$4.08*	\$3.76*	\$4.14*
Class I (3.5%)	4.70	4.65	4.8056
Class II (3.5%)	3.1025	3.1039	3.3639
Class III (3.5%)	2.6875	2.6875	2.8375
Producer Butterfat Differential for each one-tenth percent	7.4¢	7.4¢	7.6¢

*Producer location differential—

Distance of Receiving plant from City Hall, Cincinnati, Ohio.

30 but less than 40 miles .06¢ less

40 but less than 50 miles .08¢ less

50 but less than 60 miles .10¢ less

Each additional 10 miles or fraction thereof, an additional .015

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	64.44	59.76	60.33
Percent of Producer Milk in Class II	20.15	22.75	18.72
Percent of Producer Milk in Class III	15.41	17.49	20.95

PRODUCTION SUMMARY

Total Bulk Tank Milk Deliveries	39,741,652	39,315,849	37,345,907
Total Can Milk Deliveries	12,781,139	13,199,324	16,625,583
Total Pounds of Producers Milk Delivered	52,522,791	52,515,173	53,971,490
Percentage of Tank Milk to Total Deliveries	75.67	74.87	69.20

Number of Tank Producers	2,257	2,251	2,160
Number of Can Producers	1,292	1,306	1,833
Total Number of Producers	3,549	3,557	3,993
Percentage of Tank Producers to Total Producers	63.60	63.28	54.09

Average Daily Production per Tank Producer	568	563	558
Average Daily Production per Can Producer	319	326	293
Average Daily Production for All Producers	477	476	436

Average Butterfat Test of All Producers	3.55	3.57	3.63
Average Daily Class I Use (Gross)	1,165,006	1,074,934	1,108,266

VALUE SUMMARY

Total Value at Average Test	\$2,152,791.16	\$1,989,466.83	\$2,276,457.18
Income per Producer (7 day average)	\$136.97	\$126.29	\$128.73

AVERAGE DAILY SALES (Quarts)

Milk	461,751	423,878	440,371
Buttermilk	13,912	13,825	14,345
Chocolate	13,641	13,392	12,885
Skim	33,614	30,405	29,012
Cream	9,853	9,311	9,180

	August 1962	July 1962	August 1961
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COMPARATIVE STATISTICS

CINCINNATI MARKETING AREA

☆ Aug., 1953 - '62

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	IV Class		
1953	38,274,201	3.77	51.0	3.6	44.0	1.4	4.16	4.7836	4.3336	3.4336	3.2586	5,250	235
1954	36,791,339	3.76	53.6	3.2	40.0	3.2	3.80	4.5509	4.1009	2.7882	2.7438	5,017	237
1955	37,029,167	3.73	60.7	20.1	19.2	—	4.19	4.4808	3.1780	2.7725	—	4,617	256
1956	36,880,833	3.73	61.3	23.2	15.5	—	4.10	4.6698	3.2586	2.9088	—	4,104	290
1957	38,211,182	3.70	62.9	22.4	14.7	—	4.05	4.6127	3.2634	2.8250	—	3,922	314
1958	36,921,554	3.73	62.7	26.0	11.3	—	3.89	4.4325	3.0456	2.8475	—	3,734	319
1959	43,341,858	3.63	64.7	26.1	9.2	—	4.06	4.6070	3.1393	2.8050	—	3,998	350
1960	46,255,413	3.66	61.8	23.9	14.3	—	3.93	4.4940	3.0739	2.8600	—	3,975	375
1961	53,971,490	3.63	60.3	18.7	21.0	—	4.14	4.8056	3.3639	2.8375	—	3,993	436
1962	52,522,791	3.55	64.4	20.2	15.4	—	4.08	4.70	3.1025	2.6875	—	3,549	477

Production of Manufactured Products Turns Downward

The Dairy Situation, Economic Research Service USDA, August 1962

The amount of milk used in manufactured dairy products tend to be dependent on milk production. Requirements for fluid purposes are filled first. Needs for higher margin products, such as ice cream and cottage cheese, then are filled — with the balance of the milk used in butter and nonfat dry milk or cheese.

Thus, the June and July declines in milk production are reflected in the use of milk in manufactured dairy products, particularly butter, nonfat dry milk, and cheese.

Butter production, which set a post-World War II production record in each month from October 1961 through May 1962, fell from 166.7 million pounds in May to 152.6 million pounds in June. But this was

still above the 1955-59 average of 146 million pounds for the month. June was the first month since February 1961 that butter production did not exceed a year earlier. Based on weekly data, July butter production also was down about seasonally below June and somewhat below a year earlier. For the first half of the year, production was 11 percent above the first half of 1961.

Nonfat dry milk production set a record for every month from March 1961 through June 1962. For January through June this year, nonfat dry milk production was nearly 13 percent more than in the same period of 1961.

Cheese production, averaged about 93 percent of 1961 in the first half

of this year. In June, it increased slightly above May but was 5.2 percent below a year earlier, although above any other postwar June. July production of American cheese continued at about 96 percent of a year earlier. Ice Cream production rose 5.4 million gallons, to 70.2 million gallons, from May to June. In the first half of 1962, production was 1.2 percent above a year earlier. Ice milk production, which has increased much in recent years, gained 15 percent in the first half of 1962 over a year earlier.

Evaporated milk (case goods) production in June declined less from May than usual, falling only 10 million pounds compared with 15 million in 1961 and 20 million in 1960.

Price of Milk Cows Decline

The Dairy Situation, Economic Research Service, USDA, August 1962

The average price farmers receive for milk cows in 1962 will be well below the 1960 and 1961 levels. Prices were practically the same in 1960 and 1961, \$223 and \$224 per head. They were maintained at about this level in the first quarter of 1962 but declined in April and averaged \$219 in the second quarter. In June and July, the price fell to \$217. This continued price decline, along with falling milk production, seasonally rising milk prices, and about steady prices for cutter and canner cows probably reflects a low demand for milk stock. Among reasons for the

weak demand are poor pasture conditions and low supplies of roughage in North Atlantic and Southern States. The price decline also suggests that in these areas more milk cows may move to slaughter this fall than last. Information available through July does not indicate slaughter of a larger number of dairy cows this year than last year. However, these data cover only larger interior markets and the central markets, chiefly located in or near the North Central States and range States. No data are available for the North Atlantic and South Atlantic States, where local buyers likely

would absorb a large proportion of milk cattle moving to market.

ACTIVITIES OF CHECK TESTERS AUGUST

Check testers for the Cincinnati Milk Market Administrator, rendering marketing service to non-member producers report these activities.

Aug.

1962

Composite Samples	3,296
Fresh Samples	1,711
Herd Test Samples	158
Finished Product	117
Farm Tank	129
Tank Truck	42

MILK PRODUCTION INCREASE

(continued from front page)

tinue through September. However, with fall freshening and dry feeding, it is also entirely possible that milk production in the drought areas could move to last year's levels this fall and winter. Production in the North Central and Western States generally has been maintained at or above last year's levels. An increase in production in the North Atlantic and Southern States to last year's level during the rest of 1962 likely would increase milk production for 1962 above the 126.3 billion pounds indicated by the record of the first 7 months this year.

The sharp drop in milk production in the Northeast, the Southeast, and the South Central States has been due largely to the drought conditions that prevailed there through June, July, and August in the Northeast and May and July in the Southern States. In July, milk production in New York was 6 percent below a year ago; in New Jersey and Pennsylvania, down 4 percent. Among Southern States, production was down more than 5 percent in Maryland, West Virginia, Georgia, and Oklahoma. In the East North Central States, only

Ohio's production declined. Michigan production was up 3 percent compared with around 10 percent in earlier months. Of the West Central States, only Missouri and North Dakota gained over last July. Among the Western States, there were small decreases in Idaho, Colorado, Utah, and Oregon, while production increased in Montana, Wyoming, Washington, and California.

The milk-feed price ratio, which was 1.27 in June, rose to 1.33 in July, and price conditions became more favorable to heavy grain feeding. Prices of concentrate rations fed to

milk cows changed little in July, while the price of milk began turning up seasonally. As a result of improved milk-feed price ratios and the poor pasture conditions in many States, feeding of concentrates has increased, with much of it occurring in the North Atlantic region.

Milk production per cow in herds kept by crop reporters was above a year earlier on August 1 in all regions except the North Atlantic, where pastures were quite poor. The reported rate, 21.93 pounds per cow, is about 1/2 pound above the previous record for August 1 set last year.

Market Quotations

AUGUST 1962

MINNESOTA - WISCONSIN PRICE SERIES	\$3.04
MIDWEST CONDENSERIES 3.5% per Cwt.	2.897
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.700
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus).....	3.048..
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-Sate)	2.946
Average Weekly Cheddars price per lb.	.3300
Average price per lb. 92-score butter at Chicago	.57970
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant.....	.1327

THE
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519 Main Street
CINCINNATI 2, OHIO